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C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 001536

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TAGS: [PGOV](#) [CA](#)
SUBJECT: LIBERALS BEGIN THE HEALING PROCESS

REF: A. OTTAWA 1529
[1](#)B. OTTAWA 1495

Classified By: PolMinCouns Scott Bellard, reason 1.4 (b) and (d)

[1](#)1. (C) Summary. Michael Ignatieff is the only remaining candidate to replace Stephane Dion as the interim leader of the Official Opposition Liberal Party. A new party mechanism should confirm him in this role o/a December 17. Liberals hope that the members will now be able to concentrate on the future, and will look first for signs that the Conservative budget presentation on January 27 includes conciliatory elements, such as a meaningful stimulus package. If not, they may re-visit the coalition option with the New Democratic Party. Over the longer term, however, Ignatieff's personality may prove to be a liability in creating or maintaining Liberal cohesion. End Summary.

[1](#)2. (U) Liberal MP Bob Rae announced on December 9 that he would no longer be a candidate as either the interim or the next leader (which a May 2009 Liberal national convention will crown) of the Official Opposition Liberal Party, replacing Stephane Dion, who had signaled his intention to resign on December 8 (ref a). (The other expected candidate, Dominic LeBlanc, announced on December 8 that he was also dropping out of the race.) Rae emphasized that Michael Ignatieff would have his "full and unqualified support," and predicted that Ignatieff "will make a great Prime Minister." He insisted, however, that he would continue to lobby for a shift to a "one-member-one-vote" system of selecting the national party leader in the future.

[1](#)3. (C) Rae's 180-degree reversal of position came only after the Liberal National Executive announced that, while it did not favor Rae's proposed one-person-one-vote selection process for the party leader, it would create a special 800-person grouping to ratify the choice of an interim leader o/a December 17. Members will include the 308 riding presidents as well as representatives of aboriginal, women's and student groups. (Details about the remaining representatives remain vague.) The Liberal parliamentary caucus is still expected to meet on December 10 to make clear its own preference for Ignatieff, but the Executive's decision made clear that many in the party recognize that the time had come for a more inclusive body to rally behind the new interim leader, with the expectation that he will also receive the blessing of the national convention on May 2.

[1](#)4. (C) In a meeting with PolMinCouns on December 9, Liberal Whip in the House of Commons Rodger Cuzner expressed the hope that Rae's decision would now allow the Liberals to begin to heal the self-inflicted party wounds that have existed since the 2006 national leadership race, and further intensified in recent months due to Dion's perceived ineptness, widespread disgruntlement over the "Green Shift" carbon tax proposal, dire showing in the October 14 election, controversial coalition with the NDP, and the now-infamously bad Dion video in response to Prime Minister Stephen Harper's December 3 address to the nation. He indicated that Rae had "done the right thing" for the party, and he predicted that the December 10 Liberal caucus would set the right tone of unity

just before the MPs head home to their ridings for the holidays. Separately, Liberal National President Doug Ferguson admitted that about 900,000 Liberal members had simply abstained from the October 14 election, and confirmed that the party's chief task in the months to come would be to win back their support, participation, and enthusiasm -- as well as financial contributions.

15. (C) Curzon emphasized that Liberal MPs understand from their constituents that the economy is the top issue, and that there is little inclination for "petty partisanship" now. If the Conservatives put forward a budget on January 27 that appears at all conciliatory to opposition demands -- notably, for a healthy stimulus package and specific aid for the auto and forestry sectors -- the Liberal inclination will be to support it. If, in contrast, the Conservatives again include confrontational proposals -- as the fall Economic and Fiscal Statement's call to end federal funding for political parties (ref b) -- "all gloves are off," according to Curzon.

In such a scenario, Curzon suggested that Ignatieff would even be willing to consider reviving the Liberal/NDP coalition, about which he has so far appeared mostly agnostic, at best.

16. (C) Comment: Selection of a new interim leader will help put the unsuccessful Dion era behind the Liberals and position them for new political competition in 2009. The choice of Ignatieff is not without risk, however. He has long lived with open criticism about his patrician and sometimes condescending manner -- many call him "the Count" behind his back, in part in reference to his aristocratic Russian lineage and in part to his personal style -- and his

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bitter rivalry since 2006 with college roommate and one-time friend Bob Rae is the already the stuff of Liberal legend. He has only now begun to live down the "johnny-come-lately" image that was inevitable when he entered Canadian politics after decades in the U.S., as well as unease that not only had he initially supported the U.S. invasion of Iraq but subsequently jettisoned his own view for political convenience. Ignatieff will face a factionalized, demoralized, and poor party without much of a clear-cut alternate vision to the Conservatives' policy and organizational juggernaut. Ignatieff -- and Liberals around the country -- clearly have much heavy lifting in the weeks and months ahead.

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